

User Involvement, Industry Life Cycle, and Lock-In: The Case of the Japanese video game industry

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Abstract:

One of the emerging frameworks for innovation is user-led innovation, in which firms exploit creativity arising out of peer-to-peer networks. This paper examines the dynamics of creative production through the case of the Japanese video game industry. In particular, we focus on the contradictions that the Japanese video game industry has faced in the last two decades, one of intense user-producer interaction, and another of industry-led commercialization. We argue that user-innovation emerged out of not only technology-specific environment, but also culturally-specific context. We also show that user-led innovation in its applications is likely to be constrained by stages of industry life cycles. We take the case of the recent development of Nintendo's Wii platform, and show that user-led innovation can work to lead to a industry lock-in.

Keywords: User-led innovation, industry evolution, the video game industry, Japan.